

TELLURIDE REGIONAL AIRPORT

MONTHLY REPORT

FOR

**SEPTEMBER 15, 2011
12:00 P.M.**

**John A. Micetic, Chairman
Richard W. Nuttall, Airport Manager**

**TELLURIDE REGIONAL AIRPORT
BOARD MEETING – SEPTEMBER 15, 2011
12:00 PM, TERMINAL BUILDING**

MEETING AGENDA

- 1) 12:00 PM CALL TO ORDER
- 2) 12:05 PM
 - A. APPROVAL OF MINUTES: AUGUST 18, 2011
 - B. FINANCIAL REPORT:
 1. Approval of Accounts Payable
 - C. CHAIRMANS COMMENTS
 - D. NOISE ABATEMENT REPORT
- 3) 12:20 PM AIRPORT MANAGER'S COMMENTS
 - A. Announcements
 - B. Airport Staffing Options
 - C. Airport Approach Feasibility Study Consultant Selection
 - D. Curfew Violation
 - E. Executive Session:
 1. Review of Airport Manager – Personnel review
 2. Results of NNFN litigation
 3. Wet Blasting Claim
- 4) 2:20 PM ANNOUCEMENTS & PUBLIC DISCUSSION
- 5) 2:30 PM ADJOURN

Buffet Lunch will be provided at 11:30 a.m. \$6.00 per person

MINUTES

TELLURIDE REGIONAL AIRPORT AUTHORITY BOARD MEETING

**August 18, 2011
12:00 pm**

CALL TO ORDER

Chairman John Micetic called the meeting of the Telluride Regional Airport Authority to order.

Chairman John Micetic introduced Mark Silversher to the Board. He is the newly appointed Town of Telluride's Alternate. He will be sitting in John Steel's vacant seat until the Town appoints a regular member.

Roll Call

Present Members: Chairman John Micetic, Vice-Chairman Ed Roufa. Board members Ann Brady, Stu Fraser, Dave Riley, and Gary Bash.

Alternate Members Present: Lynne Beck, Mark Silversher and Brian Eaton.

1. APPROVAL OF MINUTES MOTION

Board member Stu Fraser moved to approve the minutes of July 21, 2011.
Vice-Chairman Ed Roufa seconded the motion.
Approved 8-0.

Dave Riley arrived at this time.

2. APPROVAL OF ACCOUNTS RECEIVABLE AND PAYABLES MOTION

Board Member Ed Roufa moved to approve the Accounts Receivables and Payables.
Board member Stu Fraser seconded the motion.
Approved 9-0

Jon Dwight joined the meeting at this time.

3. CHAIRMAN'S COMMENTS

Chairman John Micetic mentioned that the Board had lost a past Board member – Ted Steele. He passed away July 4, 2011. His memorial service will be held Saturday at 4:00 at the Elks Club.

4. NOISE ABATEMENT REPORT

Brian reported receiving several calls last week. A call and a letter were sent to Great Lakes Aviation as a reminder regarding the airport's procedures.

Rich reported to the Board regarding 3 areas that are going to be improved.

- A. Improving the web-site.
- B. Whispertrack
- C. Could put information on back of the pilot's invoices.

Executive Session is moved to the end of the meeting

5. AIRPORT'S MANAGER COMMENTS

Updates:

- A. Grants – Last RFR has been submitted on the DelHur claim. This will be the final payment.
- B. AIP 25 is still open due to claims
- C. AIP 26 is still open until the additional work is done on the water tank.
- D. CDOT Grant – Ramp expansion has been completed. Final items are the lights.
- E. Part 139 Inspection – Airport did very well on inspection.
- F. Budget Rent-A-Car has agreed to have a marked vehicle when picking up passengers. This should eliminate any further problems.
- G. FAA letters regarding the approaches for "C".
 - a. Feasibility Study
 - b. Design Approach
 - c. Publish

The FAA's time table is November 15, 2012. Rich would like to push the time table to have everything completed by June 30, 2012 if at all possible.

Rich made a request of the Board to consider for now, to change the operating hours for personnel from 7:00 am to 6:00 pm during the winter, saving personnel cost for this next year. This could be changed next year when we have more information regarding the approaches and night operations. It could then be decided at that point if we need to extend the personnel night hours. Rich will need to have a decision by next month so if he needs to hire two people, they will have time to be trained by ski season.

6. ANNOUNCEMENTS AND PUBLIC DISCUSSION

No public discussion.

7. MOTION TO ADJOURN TO EXECUTIVE SESSION – Regarding Litigation review and update: No-night Flights, R.E. Monks (Kiewit) and Wet Blasting Claim.

Board member Stu Fraser moved to go into Executive Session

Vice-Chairman seconded the motion

Approved 9-0.

Meeting resumed.

8. Other Business

Discussion concerning evaluation of Airport Manager. This topic should be agenzized for next meeting. Ann distributed a list of responsibilities that are in the Airport Manager's Employment Agreement. Each Board member was asked to prepare a response to each

point of the agreement in Executive Session next meeting. Rich was also asked to respond to each point on his contract.

9. MOTION TO ADJOURN

By acclamation, Chairman John Micetic adjourned the TRAA Board meeting.

John Micetic, Chairman

Richard W. Nuttall, Airport Manager

Telluride Regional Airport
A/P Aging Summary
As of August 31, 2011

	Current	1 - 30	31 - 60	> 60	TOTAL
Aero Specialties	58.00	0.00	0.00	0.00	58.00
Airgas Intermountain Inc.	0.00	503.69	0.00	0.00	503.69
All Seasons Rental	42.20	0.00	0.00	0.00	42.20
Auto Parts of Montrose	0.00	0.00	0.00	0.00	0.00
Avfuel Corporation	57,702.51	127,357.04	0.00	0.00	185,059.55
Coach's Mother	615.00	0.00	0.00	0.00	615.00
Colorado Custom Lift, Inc.	568.98	375.00	0.00	0.00	943.98
Colorado Dept. of Public Health	100.00	0.00	0.00	0.00	100.00
Conoco	88.86	0.00	0.00	0.00	88.86
Cooling's Heating & Air Conditioning, Inc	0.00	100.00	0.00	0.00	100.00
Dex Media East LLC	344.70	0.00	0.00	0.00	344.70
En Route Maps	57.60	0.00	0.00	0.00	57.60
Erie, Robert	6,361.50	0.00	0.00	0.00	6,361.50
Farm Plan	0.00	69.95	0.00	0.00	69.95
Federal Express	187.41	48.13	0.00	0.00	235.54
Filterfresh	72.45	0.00	0.00	0.00	72.45
Fourney, Jim	1,341.93	0.00	0.00	0.00	1,341.93
Grand Junction Pipe & Supply Company	0.00	0.00	0.00	-7.97	-7.97
Hammerweb Holdings	100.00	0.00	0.00	0.00	100.00
Home Depot	4.93	0.00	0.00	0.00	4.93
Lawrence Multimedia, Inc.	637.50	0.00	0.00	0.00	637.50
Liberty Bell Electric Inc.	625.50	0.00	0.00	0.00	625.50
Mesa County Health Dept. RegionaI Lab	20.00	0.00	0.00	0.00	20.00
Mitchell and Company	917.04	0.00	0.00	0.00	917.04
Montrose Ford/Nissan, Inc	1.83	0.00	0.00	0.00	1.83
Montrose Water Factory, LLC	478.48	0.00	0.00	0.00	478.48
Night & Day LLC	0.00	150.00	0.00	0.00	150.00
Pallante Plumbing & Heating, LLC	1,007.34	353.38	0.00	0.00	1,360.72
Parish Oil Company, Inc.	3,669.77	0.00	0.00	0.00	3,669.77
Parkeon Inc.	45.00	0.00	0.00	0.00	45.00
Quill	89.80	0.00	0.00	0.00	89.80
Rocky Mountain HMO	9,319.82	0.00	0.00	0.00	9,319.82
San Miguel Power Assoc.	3,780.00	0.00	0.00	0.00	3,780.00
Shop "N" Lube Express	0.00	0.00	0.00	-5.64	-5.64
SolfComm Products Inc.	157.95	0.00	0.00	0.00	157.95
Source Gas	173.70	0.00	0.00	0.00	173.70
Telluride Bytes	562.50	0.00	0.00	0.00	562.50
Telluride Kitchen	180.00	100.00	0.00	0.00	280.00
Telluride Tire & Auto Service	931.63	0.00	0.00	0.00	931.63
Two-Way Communications, Inc.	125.00	0.00	0.00	0.00	125.00
TWS	8,428.19	0.00	0.00	0.00	8,428.19
Verizon Wireless	230.48	0.00	0.00	0.00	230.48
Waste Management	331.16	0.00	0.00	0.00	331.16
Xerox	180.49	0.00	0.00	0.00	180.49
Zee Medical	166.91	0.00	0.00	0.00	166.91
TOTAL	99,706.16	129,057.19	0.00	-13.61	228,749.74

Telluride Regional Airport
A/R Aging Summary
As of August 31, 2011

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>> 60</u>	<u>TOTAL</u>
Air Force Academy	0.00	0.00	0.00	407.44	407.44
AIR RESOURCES	0.00	0.00	0.00	5,864.54	5,864.54
ALLTEL Communications Inc.	-1,080.00	0.00	0.00	0.00	-1,080.00
Alpine Luxury Limo	0.00	0.00	0.00	760.00	760.00
Bruce L Wright	83.33	0.00	0.00	0.00	83.33
Campbell, Jeff	73.48	3.20	82.31	0.00	158.99
Clint	0.00	37.41	0.00	0.00	37.41
Great Lakes - Other	171.93	-56.51	16,535.70	0.00	16,651.12
Great Lakes Aviation	0.00	-126.60	0.00	0.00	-126.60
Hertz Rent-A-Car Offices	-757.75	0.00	-5,516.67	10,783.34	4,508.92
Mattson, Bill	0.00	386.56	0.00	0.00	386.56
Mountain Limo	-357.85	715.70	-357.85	357.85	357.85
Peak Aero Group	-177.47	0.00	0.00	0.00	-177.47
Sprint Nextel	-1,000.00	0.00	0.00	0.00	-1,000.00
State of Colorado	1,878.32	1,560.16	0.00	0.00	3,438.48
U.S. Airways	0.00	0.00	3,838.18	0.00	3,838.18
Unusual Attitudes	0.00	-25.10	0.00	0.00	-25.10
Valued Customer	0.00	0.00	47.00	0.00	47.00
TOTAL	<u><u>-1,166.01</u></u>	<u><u>2,494.82</u></u>	<u><u>14,628.67</u></u>	<u><u>18,173.17</u></u>	<u><u>34,130.65</u></u>

2011 OPERATING BUDGET SUMMARY

JANUARY - AUGUST 2011	ANNUAL 2011 BUDGET	ACTUAL 2011	ACTUAL 2010
Aircraft & Pilot Income	\$3,068,778	\$2,378,592	\$2,009,238
Aircraft & Pilot Expenses	\$1,060,643	\$694,122	\$639,196
Cost of Goods Sold	\$1,538,510	\$1,296,944	\$936,157
Net Income (Loss)	\$469,625	\$387,527	\$433,885
Terminal Income	\$431,850	\$299,785	\$285,082
Terminal Expenses	\$430,682	\$221,209	\$223,095
Net Income (Loss)	\$1,168	\$78,576	\$61,987
Airside Income	\$276,200	\$242,765	\$209,472
Airside Expenses	\$380,048	\$298,045	\$224,610
Net Income (Loss)	-\$103,848	-\$55,280	-\$15,138
Interest Income	\$100	\$234	\$70
Total Net Operating Income (Loss):	\$367,045	\$411,056	\$480,804

**TELLURIDE REGIONAL AIRPORT
2011 OPERATING BUDGET
JANUARY - AUGUST**

AIRCRAFT & PILOT INCOME	BUDGET 2011	ACTUAL 2011	ACTUAL 2010	PERCENT OF BUDGET
Aircraft Oil	\$ 850	\$ 571	\$ 413	67%
AvGas	\$ 115,000	\$ 101,150	\$ 79,760	88%
Catering	\$ 33,000	\$ 8,713	\$ 26,304	26%
Hangar Fees	\$ 200,000	\$ 188,019	\$ 157,837	94%
Jet-A	\$ 2,585,454	\$ 1,984,326	\$ 1,641,736	77%
Jet-A Airlines	\$ 23,100	\$ 21,713	\$ 18,306	94%
Line Services	\$ 55,000	\$ 34,078	\$ 45,287	62%
Pilot Supplies	\$ 16,000	\$ 8,491	\$ 12,347	53%
Tie-Down Fees	\$ 40,000	\$ 31,531	\$ 27,248	79%
Waste Fuel	\$ 374	\$ -	\$ -	0%
Total:	\$ 3,068,778	\$ 2,378,592	\$ 2,009,238	78%

AIRCRAFT & PILOT EXPENSES	BUDGET 2011	ACTUAL 2011	ACTUAL 2010	PERCENT OF BUDGET
Aircraft Incidents	\$ 2,500	\$ -	\$ -	0.00%
AvFuel Trip Incentive	\$ 5,785	\$ 3,375	\$ 2,630	58.34%
Catering	\$ 5,000	\$ 1,680	\$ 18,735	33.60%
Pilot Refreshments	\$ 4,000	\$ 2,300	\$ 3,192	57.51%
Courtesy Car Expenses	\$ 1,200	\$ 5,517	\$ 175	459.71%
Credit Card Fees	\$ 65,000	\$ 56,621	\$ 48,884	87.11%
Employee Health Insurance	\$ 85,693	\$ 55,875	\$ 38,856	65.20%
Employee Salaries	\$ 365,600	\$ 210,217	\$ 186,705	57.50%
Employee Training	\$ 5,000	\$ 788	\$ 5,324	15.77%
Equipment Maintenance	\$ 56,143	\$ 38,905	\$ 30,886	69.30%
Equipment Maintenance Labor	\$ 20,000	\$ 9,780	\$ 22,027	48.90%
Equipment Rental	\$ 1,000	\$ 280	\$ 280	28.00%
Fuel Farm Utilities/Insurance	\$ 3,500	\$ 2,466	\$ 2,089	70.44%
Equipment Fuel & Oil	\$ 15,000	\$ 10,770	\$ 9,203	71.80%
Hangar Insurance	\$ 4,100	\$ 4,526	\$ 4,005	110.38%
Hangar Loan	\$ 155,266	\$ 103,511	\$ 103,511	66.67%
Hangar Maintenance	\$ 5,000	\$ 6,099	\$ 1,965	121.98%
Hangar Rental (Sub-Lease)	\$ 1,500	\$ 586	\$ 838	39.08%
Hangar Utilities	\$ 25,000	\$ 8,625	\$ 17,502	34.50%
Liability Insurance	\$ 15,000	\$ 6,374	\$ 5,952	42.49%
Line Supplies	\$ 22,000	\$ 8,100	\$ 17,857	36.82%
Uniforms	\$ 8,500	\$ 4,468	\$ 4,680	52.56%
Satelite Systems/Runway Camera	\$ 3,200	\$ 2,151	\$ 2,151	67.22%
Workman's Compensation	\$ 22,000	\$ 25,544	\$ 21,539	116.11%
Admin. & Operations (1/3 of Total)	\$163,656	\$125,565	\$90,210	76.72%
Total:	\$ 1,060,643	\$ 694,122	\$ 639,196	65.44%

COST OF GOODS SOLD	BUDGET	ACTUAL	ACTUAL	PERCENT OF
	2011	2011	2010	BUDGET
Jet-A Fuel	\$ 1,422,000	\$ 1,203,966	\$ 860,244	84.67%
100LL Fuel	\$ 102,960	\$ 83,682	\$ 65,442	81.28%
Oil	\$ 600	\$ 407	\$ 270	67.84%
De-Ice:	\$ 4,000	\$ 1,458	\$ 3,524	36.45%
Pilot Supplies	\$ 250	\$ 120	\$ 155	48.08%
Hats and T-Shirts	\$ 8,500	\$ 5,300	\$ 6,458	62.35%
Unleaded Fuel	\$ 200	\$ 2,010	\$ 64	1005.12%
Total:	\$ 1,538,510	\$ 1,296,944	\$ 936,157	84.30%
AIRCRAFT GROSS PROFIT (LOSS):	\$ 469,625	\$ 387,527	\$ 433,885	82.52%

**TELLURIDE REGIONAL AIRPORT
2011 OPERATING BUDGET
JANUARY - AUGUST**

TERMINAL INCOME	BUDGET 2011	ACTUAL 2011	ACTUAL 2010	PERCENT OF BUDGET
Advertising	\$ 15,000	\$ 308	\$ 6,667	2.05%
Airlines	\$ 185,000	\$ 116,840	\$ 111,375	63.16%
Car Rental Agencies	\$ 135,000	\$ 102,350	\$ 92,160	75.81%
On-Line Services	\$ 25,000	\$ 17,312	\$ 17,732	69.25%
Copy/Fax	\$ 1,200	\$ 287	\$ 1,025	23.94%
Office Rentals	\$ 25,000	\$ 24,056	\$ 18,794	96.23%
Parking Lot	\$ 22,000	\$ 19,489	\$ 15,157	88.58%
Sales Tax Discount	\$ 800	\$ 871	\$ 454	108.88%
Taxi Service	\$ 22,000	\$ 17,489	\$ 21,178	79.50%
Vending Machines	\$ 850	\$ 783	\$ 540	92.09%
Total:	\$ 431,850	\$ 299,785	\$ 285,082	69.42%

TERMINAL EXPENSES	BUDGET 2011	ACTUAL 2011	ACTUAL 2010	PERCENT OF BUDGET
Janitorial Supplies	\$ 6,000	\$ 1,870	\$ 2,643	31.17%
Janitorial Other	\$ 40,000	\$ 14,850	\$ 16,250	37.12%
Liability Insurance	\$ 15,000	\$ 6,374	\$ 5,952	42.49%
Maintenance	\$ 20,000	\$ 10,802	\$ 15,404	54.01%
Maintenance Labor	\$ 20,000	\$ 1,690	\$ 22,027	8.45%
Parking Lot	\$ 3,000	\$ 896	\$ 330	29.88%
Internet Café	\$ -	\$ -	\$ 524	#DIV/0!
Security	\$ 3,000	\$ 3,375	\$ 6,149	112.49%
Terminal Improvement Loan (Half Year)	\$ 75,226	\$ -	\$ -	0.00%
Terminal Insurance	\$ 9,000	\$ 7,907	\$ 8,597	87.85%
Terminal Utilities	\$ 60,000	\$ 29,977	\$ 43,910	49.96%
Trash	\$ 7,000	\$ 3,425	\$ 4,272	48.93%
Vending Machine Expense:	\$ 800	\$ 652	\$ 627	81.51%
Water Maintenance	\$ 8,000	\$ 13,828	\$ 6,200	172.85%
Admin. & Operations (1/3 of Total)	\$ 163,656	\$ 125,565	\$ 90,210	76.72%
Total:	\$ 430,682	\$ 221,209	\$ 223,095	51.36%

TERMINAL GROSS PROFIT (LOSS): \$ 1,168 \$ 78,576 \$ 61,987 6727.28%

AIRSIDE INCOME	BUDGET	ACTUAL	ACTUAL	PERCENT OF
	2011	2011	2010	BUDGET
Airline Landing Fees	\$ 52,000	\$ 49,419	\$ 38,954	95.04%
GA Landing Fees	\$ 135,000	\$ 120,437	\$ 102,670	89.21%
Land Leases	\$ 26,000	\$ 23,283	\$ 22,225	89.55%
Promotional Fees	\$ 1,200	\$ -	\$ -	0.00%
State Fuel Tax Rebates	\$ 62,000	\$ 49,626	\$ 45,623	80.04%
Total:	\$ 276,200	\$ 242,765	\$ 209,472	87.89%

AIRSIDE EXPENSES	BUDGET	ACTUAL	ACTUAL	PERCENT OF
	2011	2011	2010	BUDGET
Airfield Lighting Maintenance	\$ 3,000	\$ 2,831	\$ 1,293	94.35%
Airfield Lighting Utilities	\$ 1,500	\$ 1,152	\$ 947	76.80%
Airfield Insurance	\$ <i>19,000</i>	\$ <i>21,018</i>	\$ -	110.62%
Airfield Maintenance	\$ 5,000	\$ 7,363	\$ 9,376	147.26%
ARFF Building Insurance	\$ <i>206</i>	\$ <i>228</i>	\$ <i>202</i>	110.81%
ARFF Employee Medical	\$ 3,031	\$ 7,139	\$ 7,252	235.53%
ARFF Employee Wages	\$ 14,560	\$ 37,613	\$ 32,903	258.33%
ARFF Equipment	\$ 1,000	\$ 6,675	\$ 250	667.50%
ARFF Maintenance	\$ 10,000	\$ 507	\$ 327	5.07%
ARFF Training	\$ 17,000	\$ 9,241	\$ 12,754	54.36%
ARFF Liability Insurance	\$ <i>145</i>	\$ -	\$ -	0.00%
ARFF Utilities	\$ 2,500	\$ 2,539	\$ 1,030	101.56%
AWOS Maintenance	\$ 7,000	\$ 3,000	\$ 3,500	42.86%
AWOS Utilities	\$ 2,000	\$ 1,087	\$ 1,364	54.35%
Business Auto Policy	\$ <i>7,500</i>	\$ <i>12,421</i>	\$ <i>6,935</i>	165.61%
Equipment Fuel & Oil	\$ 25,000	\$ 13,811	\$ 6,254	55.24%
Equipment Insurance	\$ <i>4,800</i>	\$ <i>1,095</i>	\$ <i>968</i>	22.81%
Equipment Maintenance	\$ 45,000	\$ 16,455	\$ 15,481	36.57%
Equipment Maintenance Labor	\$ 20,000	\$ 17,144	\$ 22,027	85.72%
Liability Insurance	\$ <i>15,000</i>	\$ <i>6,374</i>	\$ <i>5,952</i>	42.49%
Operations Training	\$ 2,500	\$ -	\$ 385	0.00%
SRE Insurance	\$ 650	\$ 685	\$ 606	105.35%
SRE Utilities	\$ 5,000	\$ 3,279	\$ 3,844	65.59%
SWMP Maintenance	\$ 5,000	\$ 825	\$ 750	16.50%
Admin. & Operations (1/3 of Total)	\$163,656	\$125,565	\$90,210	76.72%
Total:	\$ 380,048	\$ 298,045	\$ 224,610	78.42%

AIRSIDE GROSS PROFIT (LOSS):	\$ (103,848)	\$ (55,280)	\$ (15,138)	53.23%
INTEREST INCOME:	\$ 100	\$ 234	\$ 70	233.55%
NET OPERATING PROFIT (LOSS):	\$ 367,045	\$ 411,056	\$ 480,804	111.99%

**TELLURIDE REGIONAL AIRPORT
2011 OPERATING BUDGET
JANUARY - AUGUST**

ADMINISTRATIVE EXPENSES	BUDGET 2011	ACTUAL 2011	ACTUAL 2010	PERCENT OF BUDGET
Accounting Audit	\$ 18,000	\$ 5,850	\$ -	32.50%
Administrative Salaries	\$ 154,263	\$ 102,842	\$ 101,123	66.67%
Bad Debts	\$ 1,000	\$ 8	\$ 913	0.80%
Bank Finance Charges	\$ 1,000	\$ 781	\$ 866	78.14%
Copy/Fax/Computer Maintenance/Lease	\$ 10,800	\$ 5,464	\$ 7,422	50.60%
Crime Insurance	\$ 600	\$ -	\$ -	0.00%
Dues & Subscriptions	\$ 2,000	\$ 2,037	\$ 1,317	101.86%
Employee Education	\$ 2,000	\$ 3,338	\$ 1,406	166.92%
Employee Medical Insurance	\$ 30,000	\$ 18,720	\$ 22,544	62.40%
Fringe Benefits	\$ 2,650	\$ 2,650	\$ 2,650	100.00%
Legal	\$ 100,000	\$ 137,695	\$ 24,038	137.70%
Marketing	\$ 50,000	\$ 28,047	\$ 35,067	56.09%
Office Supplies	\$ 4,000	\$ 1,589	\$ 1,728	39.73%
Payroll Expenses	\$ 60,000	\$ 40,422	\$ 42,278	67.37%
Postage & Shipping	\$ 3,000	\$ 1,512	\$ 1,919	50.40%
Retirement Benefits	\$ 6,000	\$ 4,186	\$ 3,825	69.76%
Public Officials Insurance	\$ 10,000	\$ -	\$ -	0.00%
Telephone/Internet	\$ 27,000	\$ 19,320	\$ 17,713	71.55%
TRAA Meeting	\$ 6,500	\$ 1,960	\$ 5,796	30.15%
Travel	\$ 2,000	\$ 146	\$ 26	7.31%
Workman's Compensation	\$ 154	\$ 125	\$ -	81.17%
Total:	\$ 490,967	\$ 376,694	\$ 270,631	76.72%

NOTES: Administrative Expenses are divided equally and included in each expense budget (Aircraft & Pilot, Terminal and Airside).

**TELLURIDE REGIONAL AIRPORT
2011 CAPITAL BUDGET**

CAPITAL INCOME:	2011 BUDGET	2011 ACTUAL
Beginning Bank Account Balance	\$990,236	\$1,161,941
AST Proceeds	\$0	\$28,176
Passenger Facility Charges	\$45,000	\$33,617
FAA Grants (Not known)	\$4,035,941	\$1,705,359
State Grant	\$400,000	\$370,302
Rock Sales	\$175,000	\$132,662
Terminal Improvement Loan	\$0	\$0
Equipment Sales	\$0	\$22,878
Interest Income	\$1,500	\$66
TOTAL AVAILABLE FUNDS :	\$5,647,677	\$3,455,001
CAPITAL EXPENSES:	2011 BUDGET	2011 ACTUAL
AIP-22 Closeout Costs	\$1,052,632	\$491,622
AIP-25 Closeout Costs	\$941,062	\$25,302
AIP-26 Closeout Costs	\$2,254,665	\$1,473,300
AIP-28 Slide Repair & Runup/De-ice Pad	\$0	\$135
Terminal Improvements and Apron Project	\$648,350	\$595,276
Safety Management System	\$30,000	\$8,071
Maintenance Tools & Conex	\$5,000	\$3,150
Legal Fees	\$0	\$22,440
Bank Fees	\$60	\$65
TOTAL CAPITAL EXPENSES:	\$4,931,769	\$2,619,360
REMAINING CAPITAL INCOME:	\$715,908	\$835,642
ENDING OPERATING INCOME TRANSFER:	\$367,045	Estimated From Operating Budget
ESTIMATED BEGINNING BALANCE FOR 2012:	\$1,082,953	

**TELLURIDE REGIONAL AIRPORT
AIRCRAFT AND PILOT SERVICES - 2011**

Aug-11	TRAA 2011	TRAA 2010	Percent Change
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AIRPORT OPERATIONS

General Aviation:	822	656	25.30%
Commercial Airline:	156	104	50.00%
Total Operations:	978	760	28.68%

AVIATION FUEL SALES (GALLONS)

General Aviation:			
100LL AvGas:	3,971	2,805	41.56%
Jet-A	35,894	47,898	-25.06%
Total GA:	39,865	50,703	-21.38%
Commercial Airline:	6,795	5,821	16.73%
Total Fuel Sales:	46,660	56,524	-17.45%

GA Passenger Deplanements:	1,377	1,102	24.95%
GA Passenger Enplanements:	1,298	1,011	28.39%

AIRLINE COMPLETIONS

	2011		2010	
Scheduled Departures:	78	100.0%	52	100.0%
Actual Departures:	78	0.0%	52	0.0%
Total Not Completed:	-	100.0%	-	100.0%

AIRPORT MANAGER'S REPORT

For September 15, 2011

Public Announcements

Grant Updates

The following is an update regarding our FAA and State grants:

- AIP-22: This project has been completed. The final claims by contractor have been settled. The FAA has notified me that funds are now available to close this grant. This should be completed within the next few weeks.
- AIP-25: Phase II, Runway/Safety Area Improvements. This project has been completed. Grant still open pending final close-out documents and settlement of claims.
- AIP-26: Phase III, Runway/Safety Area Improvements. This project is complete except for some additional work required on the water tank.
- CDOT Grant: Apron project is now completed. All check-list items have been completed and we are finalizing the close-out documents.

Airport Staffing Options

The FAA has not yet determined which type of approach system can be used to obtain a Category C instrument approach, and whether or not instrument approaches will be approved for night operations. Therefore, in order to mitigate operational expenses this winter and until the FAA can complete their analysis; the Airport Manager is recommending that the hours that the Airport is attended be from 7:00 a.m. until 6:00 p.m. from November 6, 2011 through March 11, 2012.

Airport Approach Feasibility Study Consultant Selection

The Board has two proposals to provide a basic feasibility study to determine the potential use of a Required Navigational Procedure (RNP) approach. The Board will consider these proposals and other options.

Curfew Violation

A curfew violation was reported on September 2, 2011. The Board will review and recommend any action regarding this violation.

STAFFING OPTIONS AND COSTS

Option 1

From November 6, 2010 through March 11, 2012 the Airport would be staffed from 7:00 a.m. until 6:00 p.m. This option would not require any additional staffing and snow removal operations. It would save the Airport approximately \$125,000 in additional operating costs over the next twelve months.

Aircraft can still land or take-off until 9:00 p.m. if the weather and runway conditions permit. We can provide chocks and an exit personnel gate for transient pilots.

Option II

The airport is staffed until 9:00 p.m., but no snow removal operations at night. This option will add an additional \$102,000 in staffing requirements. The reason for additional staffing in the winter months is because we need all three existing line personnel in the morning for snow removal in addition to taking care of customers. If one of those persons now has to stay until 9:00 p.m. then it is a 14-hour plus day not including commuting time. Therefore, we would need to hire one additional line person for each of the two weekly shifts.

Option III

The airport is staffed until 9:00 p.m. and snow removal is required until 9:00 p.m. This option requires additional staffing as outlined in Option II, and requires additional on-call staffing for snow removal operations. The minimum additional operating cost for this option is \$125,000.

It takes a minimum of 2.5 hours to plow and remove the windrows from the runway. For us to fully mobilize for snow removal operations, it will cost approximately \$1000 to \$1300 per occurrence. Therefore, if we have to plow for one or two aircraft to land, the airport would only receive a landing fee and maybe a fuel sale, which will not cover the operating costs.

Summary

The FAA has not yet determined which type of approach system can be used to obtain a Category C instrument approach, and whether or not instrument approaches will be approved for night operations. Therefore, in order to mitigate operational expenses this winter and until the FAA can complete their analysis; the Airport Manager is recommending that the hours that the Airport is attended be from 7:00 a.m. until 6:00 p.m. from November 6, 2011 through March 11, 2012. Once we have additional information regarding night approaches and airline intentions, then we can see what options best will serve the Airport in the future.

**Proposal to
Telluride Airport
for
FAA Approval for Night Operations**



Submitted to:

**Mr. Rich Nuttall
Airport Manager,
Telluride Airport**

3 Sept, 2011

by



**Mr. David Perry
Chairman and CEO
703-508-3153**

**Corporate Office:
4044 Bunch Walnuts RD
Chesapeake VA 23322-2874**

1. INTRODUCTION

The Bevins Perry Corporation is pleased to provide this proposal to Telluride Airport for assistance in obtaining approval from the Federal Aviation Administration (FAA) to operate the airfield at night.

Established in 2010, the Bevins Perry Corporation is a Veterans Administration Verified 100% Service Disabled Veteran Owned Small Businesses (SDVOSB). The Bevins Perry team provides aviation and airport training, consulting services and the development of instrument flight procedures worldwide. The Bevins Perry corporate office is located in Chesapeake, Virginia with an additional office strategically located near Washington D.C. Owned and operated by two retired military veterans with over 60 years of combined Air Traffic Control (ATC), Terminal Instrument Procedures (TERPS), FAA Airports GIS System (AGIS), Obstruction Studies/Evaluations, Ground Obstacle Assessment and airport surveying. We feel Bevins Perry has the experience and resources to assist Telluride Airport in getting the FAA night restriction lifted.

As a developing SDVOSB, our goal at Bevins Perry is to always provide our clients with a professional, accurate, efficient and cost effective alternative to other large companies for your aviation projects. With our experience and extensive resources, you can rest assured that we can assist you in your company's needs.

2. BACKGROUND

Due to penetrations of the visual area's 20:1 surface, night operations are not authorized at Telluride Airport. This restriction does not allow the airport to operate at full capacity, reduces the number of passengers to its world-renowned ski area and reduces annual revenue. The airport has undergone extensive renovations with the goal of gaining the ability to allow Category C operations and have the FAA lift the night restriction. Despite the efforts made by the airport, the FAA recently updated the existing flight procedures. However, they did not rescind the restriction for night operations or develop the procedures to allow for Category C operations. The airport is seeking assistance to have the FAA reconsider these decisions.

3. TECHNICAL APPROACH

The Bevins Perry Corporation will acquire recent survey data used by the FAA in its determination to leave the night restriction in force. An analysis of this data will be conducted IAW FAA Order 8260.3B and determine any 20:1 penetrations.

With the information obtained from the analysis, a graphic depiction of the 20:1 area, with its associated penetrations, will be developed and provided to the airport. A mitigation plan will also be developed to provide Telluride Airport with viable options and next steps in the attempt to gain FAA approval. Recent criteria changes and new technologies being implemented by the FAA appears to provide promise that a positive outcome could be obtained.

VALUE ADDED:

In recent conversations with the airport, it is important for them to have instrument procedures with the lowest minima and gain Category C operations. The possibility exists that an RNP AR procedure would allow lower approach minimums and Category C operations. One RNP AR requirement is the Glide Slope Qualification Surface (GQS) must be clear of all penetrations. An evaluation to the GQS surface to RWY 09 will be completed at no charge to Telluride Airport and the results documented in the report. This will provide additional information to the airport and allow for more informed decisions going forward.

4. BEVINS PERRY CORPORATION EXPERIENCE

The Bevins Perry Corporation has extensive experience in developing instrument flight procedures and conducting safety analysis at airports throughout the world. This uniquely qualifies us to complete this evaluation and formulate a solution to the restriction to night operations at Telluride.

4.1 PROCEDURE DESIGN EXPERIENCE

The Bevins Perry personnel have developed flight procedures at numerous challenging locations throughout the world. Our knowledge and experience have enabled us to successfully mitigate the same situations facing Telluride Airport today. Our knowledge of airports design manuals, TERPS publications and contacts within the FAA allow our team to provide the right solution to difficult airport challenges.

4.2 EXPERIENCED STAFF

The personnel that will be supporting this effort are highly qualified, and uniquely suited to the task.

The key project personnel have established credibility with civil aviation authorities globally:

- David Perry, will provide the project management and TERPS expertise to evaluate the 20:1 visual area as well as the GQS. Mr. Perry is internationally recognized for instrument procedure design.
- Randy Bevins, will provide support and formulate existing obstruction and aeronautical data at Telluride Airport.

Resumes' for David Perry and Randy Bevins are available on request.

5. SCOPE OF PROJECT

The scope of the project will be sub-divided into two components as stated in Section 2 (Technical Approach). Component one will be the collection of obstruction data, analysis and documentation. Component two will be the formulation of a mitigation plan.

6. COST PROPOSAL

6.1 ANALYSIS AND MITIGATION PLAN

The cost to complete the analysis and develop a mitigation plan is 12,000 USD. We anticipate that no site visit to the Telluride Airport is required. However, in the event Telluride Airport would require a kick-off meeting or an airport site visit during the analysis process then this would be at an additional cost.

6.2 TRAVEL EXPENSES

No travel to the Telluride airport is anticipated. However, if the Telluride airport board members should require the Bevins Perry Corporation to make a site visit, then travel would be in addition to the costs listed in 6.1. Travel cost to the Telluride airport varies significantly depending on the season and time of the week traveled. The Bevins Perry Corporation understands this and will make every effort to keep travel cost to an absolute minimum. The Bevins Perry Corporation will invoice actual cost of airfare, lodging and ground transportation cost plus a 5% administrative fee. Additionally, Meals and Incidental Expenses (M&IE) at the standard GSA rate of 71.00 USD per travel day in Telluride would apply. All airfare, lodging and transportation expenses will be accompanied with receipts forwarded electronically. Estimated cost associated with travel to Telluride would be \$2513 USD per person for a 2 day trip. Two members from the Bevins Perry Corporation would be required for travel.

7. PAYMENTS, TERMS AND CONDITIONS

7.1 PAYMENT TERMS

The following is the requested invoicing schedule:

- Each invoice will be Net 30 days
- Travel expenses will be invoiced immediately after travel is conducted and due upon receipt
- Additional travel and labor to support the travel will be in addition to the cost provided in 6.1 and 6.2 above

7.2 VALIDITY OF THE OFFER.

This offer is valid for 90 days, and will become null and void on the 5th day of December, 2011.

**ASSISTANCE TO BE PROVIDED TO TELLURIDE, CO
IN EXPEDITING FAA'S PUBLICATION OF INSTRUMENT
APPROACHES TO TELLURIDE REGIONAL AIRPORT (TEX)**

Kaplan, Kirsch and Rockwell (KKR) has requested Loghides International Aviation (LIA) provide a list of possible assistance that LIA could provide in accelerating the FAA's process in designing and publishing new instrument approach procedures, including providing instrument approaches to night time operations. The FAA's Western Flight Procedures Team, the group that would lead the effort, has scheduled these new and amended procedures for publication on 11/15/2012. LIA has also been requested to provide an estimate of costs and expenses.

After a brief review of the airport's position and the FAA current protocols, LIA could assist in the following ways:

1. Provide a thorough review of the airport's data set in order to ensure that all the FAA's advance requirements are being met. At a minimum, this would include the airport's master plan, airport layout plan, the FAA Airport Facilities Directory, the number of based aircraft summer and winter, and existing published instrument approach procedures.
2. Determine if a new survey of the airport and environs is necessary. This will help decide if night time operations can be pursued.

NOTE: Steps 1 and 2 consist of LIA collecting enough information about TEX to enable LIA to usefully converse with the FAA. Most, if not all the information in 1 and 2 is already known to TEX. This could be done by electronic means.

3. Meet with KKR to agree a strategy in terms of the types of aircraft to be accommodated either Approach Category A&B only, or include Approach Category C, the kinds of operations, ie the level of commercial passenger services that will be provided, and the respective roles of KKR and LIA.

NOTE: This step would be accomplished primarily through teleconferences and perhaps a meeting at KKR's offices in Denver CO.

4. Discuss any identified opportunities for accelerating their process with FAA's Western Flight Procedures Team, located in Renton WA. The FAA publishes instrument procedures according to a 174 day cycle from the end of the design to the publishing of the procedure, including opportunities for each service branch of the FAA and the Department of Defense to comment on the proposed procedure. Additionally, the FAA respects a 56 day implementation schedule-which means that once a procedure has been approved and is ready for publication, the FAA gives operators 56 days to load the new procedures into on board navigation data bases.

While the 56 days cycle is very difficult to shorten, there are opportunities for performing various steps in the 174 day schedule in parallel, thereby shortening the process.

NOTE: This would involve teleconferences and meetings with FAA staff (travel from Ocean Shores WA by auto (150 miles) or Yuma AZ to Renton WA by air. LIA would obtain approval of any in person meetings in Renton prior to starting any travel.

5. Follow up on the procedure process with the FAA's procedures designers in Oklahoma City OK. Again, LIA can provide a service by keeping the TEX procedures before the designers, and if it will accelerate matters, provide assistance in designing the procedures.

NOTE: This step would involve teleconferences with the Oklahoma City FAA team. Again, LIA would obtain approval of any in person meetings in Renton prior to starting any travel. Any procedure design assistance would be in addition to the costs provided in this estimate.

6. Once the process is returned to the Renton office, LIA can continue to ensure that the FAA staff finalize the process in a timely manner.

NOTE: Again, this would be accomplished through teleconferencing or through pre-approved travel to Renton for meetings.

ESTIMATE OF COSTS: LIA's charges, at this point, would be \$150 per hour, including travel time, plus reimbursement of reasonable expenses. This does not include the cost of providing procedure design assistance, which would require bringing on additional persons.

STEPS 1 and 2 combined: two (2) full days of effort:	\$2,400
STEP 3: Meet with KKR (and Telluride, if appropriate) 4 hours	600
If a meeting in Denver is required, estimate \$300 flight plus \$200 for hotel and meals. Actual cost will vary slightly	500
STEP 4: Meet with FAA - either by phone or in Renton WA - up to 4 meetings of 5 hours each, plus driving expense	3,000
If trip is from Yuma, add \$500 travel expense	
STEP 5: Meet with FAA - either by phone or in Oklahoma City	
Up to 2 meetings of up to 5 hours each plus \$500 travel	2,000
STEP 6: Meet with FAA - either by phone or in Renton WA - up to 2 meetings of 5 hours each, plus driving expense	2,000
MISCELLANEOUS: Preparing and submitting periodic reports at KKR's discretion	_____
<u>800</u>	
TOTAL	\$11,300

The charges illustrated above assume that in some in person meetings will be required,

and provide best estimates of travel expenses at the time of this estimate. Travel expenses will vary slightly.

Additionally, KKR may want to only authorize some of the steps above, such as steps 1 through 4, with an option to continue with steps 5 and 6 based on results.

-END-

TELLURIDE REGIONAL AIRPORT AUTHORITY

OFFICIAL INCIDENT REPORT

Date: September 2, 2011 **Time:** On or about 21:00

Name: Joshua Blakeman, Line Service Technician

Address: 1500 Last Dollar Road, Suite # 1

City: Telluride **State:** CO **Zip Code:** 81435

Phone: (970) 728-8603

IF AN AIRCRAFT INCIDENT:

Pilot's Name: Mr. Eliot Brown

Aircraft #1 Make: AC-90 **Tail Number:** N840SE

REPORT OF INCIDENT: On September 2, 2011 on or about 20:55 I was working Unicom and I observed on the Flightwise tracker that N840SE was on the flight tracker for arrival at 21:05. At that time I observed on the midfield camera that N840SE was inbound from the west for Runway 09, and observed the traffic calls from N840SE, over Unicom. Del and Justin were also in Unicom and observed this as well. At that time we keyed up the Runway lights for the Aircraft N840SE to see the Runway. The midfield runway camera shows that the aircraft N840SE landed at 21:05. At no point in time during this period was the current airport time reported to the aircraft,

N840SE, over Unicom. No further action was taken to notify
Mr. Eliot Brown of the curfew violation. END OF REPORT.

ENPLANEMENTS 2011

				2011	2010
	Great Lakes	U.S. Airways	Gen. Av	TOTAL	TOTAL
January	641	1233	1259	3133	3526
February	558	1261	1215	3034	3003
March	768	1195	1482	3445	3244
April	269	95	215	579	564
May	296	0	261	557	142
June	605	0	753	1358	1127
July	978	0	1470	2448	2075
August	925	0	1298	2223	1592
September				0	2147
October				0	894
November				0	576
December				0	1361
Total for 2011	5,040	3,784	7,953	16,777	20,251
Total for 2010	5,779	4,034	10,438	20,251	
Total for 2009	3,512	3,495	5,856	12,863	
Total for 2008	10,396	3,641	15,657	29,694	

Enplanements Comparisons	2010 GA	2011 GA	2010 Airlines	2011 Airlines
January	1602	1259	1924	1874
February	1237	1215	1766	1819
March	1368	1482	1876	1963
April	273	215	291	364
May	78	261	64	296
June	732	753	395	605
July	1415	1470	660	978
August	1011	1298	581	925
September	1348		799	0
October	445		449	0
November	231		345	0
December	698		663	0

Revised 7-31-11

DEPLANEMENTS FOR 2011

	Great Lakes	U.S.Airways	Gen Av	2011 Total	2010 Total
January	535	1028	1237	2800	2933
February	612	1333	1278	3223	3377
March	722	1125	1601	3448	3212
April	177	31	238	446	465
May	347	0	279	626	146
June	707	0	862	1569	1270
July	905	0	1582	2487	2233
August	885	0	1377	2262	1709
September				0	2271
October				0	855
November				0	608
December				0	2132
Total for 2011	4890	3517	8454	16861	21211
Total for 2010	5823	4070	11318	21211	
Total for 2009	3514	3418	6071	13003	
Total for 2008	9929	3259	15204	28392	

Deplanement Comparisons	2010 GA	2011 GA	2010 Airlines	2011 Airlines
January	1278	1237	1655	
February	1443	1278	1934	
March	1523	1601	1689	
April	265	238	200	
May	80	279	66	
June	804	862	466	
July	1584	1582	649	
August	1102	1377	607	
September	1461		810	
October	469		386	
November	240		368	
December	1069		1063	

Revised 7-31-11

OPERATIONS FOR 2011

	Great Lakes	U.S. Airways	Gen. Av.	2011 Total	2010 Total
January	120	100	684	904	958
February	96	96	684	876	812
March	114	88	882	1084	928
April	90	6	164	260	288
May	112	0	212	324	88
June	130	0	514	644	560
July	154	0	874	1028	1044
August	156	0	822	978	760
September				0	1008
October				0	454
November				0	260
December				0	610
Total for 2011	972	290	4836	6098	7770
Total for 2010	1224	316	6230	7770	
Total for 2009	662	322	3256	4240	
Total for 2008	1852	300	8510	10662	

Operation Comparisons	2010 GA	2011 GA	2010 Airlines	2011 Airlines
January	740	684	218	220
February	624	684	188	192
March	742	882	186	202
April	196	164	92	96
May	64	212	24	112
June	474	514	86	130
July	922	874	122	154
August	656	822	104	156
September	850		158	0
October	340		114	0
November	154		106	0
December	468		142	0

SCHEDULED DEPARTURES 2011

	U.S. Airways	Great Lakes	Total
January	54	62	116
February	52	52	104
March	51	62	113
April	4	60	64
May	0	61	61
June	0	67	67
July	0	80	80
August	0	78	78
September			0
October			0
November			0
December			0
Total for 2011	161	522	683
Total for 2010	183	672	855
Total for 2009	161	330	491
Total for 2008	193	1001	1194

ACTUAL DEPARTURES 2011

	U.S. Airways	Great Lakes	Total
January	50	60	110
February	48	48	96
March	44	57	101
April	3	45	48
May	0	56	56
June	0	65	65
July	0	77	77
August	0	78	78
September			0
October			0
November			0
December			0
Total for 2011	145	486	631
Total for 2010	158	612	770
Total for 2009	161	330	491
Total for 2008	150	926	1076